

# DAILY MARKETS OVERVIEW

14 MAY 2019

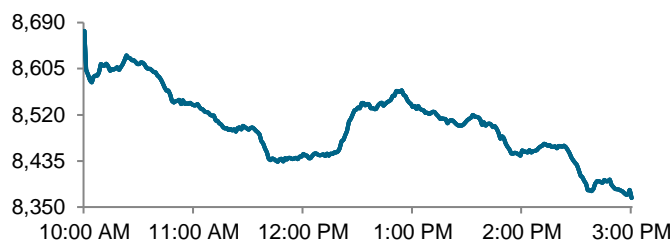
السوق السعودي كابتال

Saudi Fransi Capital

Distinguished Service, Outstanding Performance



## TASI Intraday



Source: Reuters

## Saudi Stock Indices

| Index                          | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|--------------------------------|------------|---------|-------|-------|----------|
| Saudi (TASI)                   | 8,367      | -3.6    | -5.5  | 6.9   | 19.3     |
| Saudi (NOMU)                   | 3,484      | -2.3    | -2.5  | 38.2  | 13.3     |
| Energy                         | 4,292      | -1.9    | -4.2  | -11.5 | 22.0     |
| Materials                      | 5,371      | -3.7    | -5.0  | 2.3   | 20.2     |
| Capital Goods                  | 3,445      | -3.7    | -6.2  | -11.7 | 30.7     |
| Com. & Prof. Svc               | 4,116      | -1.7    | -1.5  | -0.5  | 18.3     |
| Transportation                 | 3,455      | -4.2    | -5.9  | -0.6  | 18.3     |
| Cons. Durables & Apparel       | 3,282      | -3.4    | -4.9  | -10.4 | NA       |
| Consumer Services              | 3,268      | -3.4    | -5.8  | 10.9  | NA       |
| Media                          | 10,282     | -2.3    | -1.4  | 1.0   | 49.9     |
| Retailing                      | 7,260      | -1.0    | -3.5  | 5.7   | 33.8     |
| Food & Staples Retailing       | 6,112      | -2.1    | -3.3  | 2.8   | 29.0     |
| Food & Beverages               | 4,279      | -1.6    | -4.1  | 10.1  | NA       |
| Health Care Equipment          | 3,654      | -3.3    | -5.4  | -2.7  | 25.9     |
| Pharma, Biotech & Life Science | 3,331      | -1.2    | -6.0  | -14.1 | NA       |
| Banks                          | 8,250      | -3.8    | -5.8  | 14.4  | 14.0     |
| Diversified Financials         | 3,196      | -3.3    | -3.4  | -8.1  | NA       |
| Insurance                      | 4,069      | -5.0    | -5.3  | -2.5  | NA       |
| Telecommunication              | 6,054      | -5.6    | -8.7  | 12.0  | 22.5     |
| Utilities                      | 3,536      | 0.2     | -1.4  | 5.0   | 35.4     |
| REITs                          | 3,568      | -1.3    | -2.0  | -1.5  | 25.4     |
| Real Estate                    | 2,870      | -3.0    | -6.8  | -11.0 | NA       |

Sources: Bloomberg, Reuters, Tadawul

## Top 5 Gainers

| Company                          | Last Close | % Change | Value (SAR mn) |
|----------------------------------|------------|----------|----------------|
| Saudi Paper Manufacturing Co.    | 10.18      | 9.9%     | 17             |
| Al Gassim Investment Holding Co. | 10.50      | 2.5%     | 5              |
| United Electronics Co.           | 64.20      | 1.7%     | 14             |
| Saudi Company for Hardware       | 67.30      | 0.8%     | 14             |
| Nama Chemicals Co.               | 22.70      | 0.4%     | 3              |

Source: Tadawul

## Latest Earnings

| Company                        | Date   | Period | Q NI (SAR mn) | Y/Y % | Q EPS (SAR) | Vs. Consensus |
|--------------------------------|--------|--------|---------------|-------|-------------|---------------|
| Wala Cooperative Insurance Co. | 13-May | 1Q19   | 15.3          | -60%  | 0.35        | NA            |
| Salama                         | 12-May | 1Q19   | -14.6         | -300% | -0.58       | NA            |
| Gulf Union                     | 12-May | 1Q19   | -36.2         | -762% | -1.50       | NA            |
| Amana Insurance                | 12-May | 1Q19   | -20.8         | -201% | -0.87       | NA            |
| Farm Superstore                | 12-May | 1Q19   | -2.6          | -119% | -0.06       | NA            |

Source: Tadawul

**NOTES:** (1) Prices as of last trade. Updated as of May 14, 2019  
(2) WTD: Week to Date and YTD: Year to Date

## Saudi Market Update

- TASI closed 3.6% lower at 8,367 while NOMU ended 2.3% lower at 3,484 on Monday. TASI traded value totaled SAR 5.3bn and averaged SAR 3.7bn over the last 30 days. The five most active stocks (by value) in TASI accounted for 47.9% of the daily traded value.
- Banks and Materials declined 3.8% and 3.7%, respectively. Telecom closed 5.6% lower. Utilities (up 0.2%) was the best sector performer. Among stocks, Saudi Paper Manufacturing Co. (2300/SPM AB), Al Gassim Investment Holding Co. (6020/GACO AB), and United Electronics Co. (4003/EXTRA AB) led the gainers.
- The Communications and Information Technology Commission (CITC) posted an over twofold increase in revenue on Y/Y basis to SAR 13.5bn (USD 3.6bn) in 2018. Revenue from commercial services hit SAR 7.5bn (USD 2.0bn) in 2018, while it generated SAR 5.5bn (USD 1.5bn) revenue from frequency spectrum. (Source: Argaam)
- The Consultative Assembly of KSA approved a draft law regulating the issuance of residence permits for highly-skilled and wealthy foreign nationals without the need for a sponsor. According to initial announcements, eligible foreign nationals will be able to obtain a residence permit for up to one-year (renewable) or for an unlimited period of time. (Source: Arabian Business)
- UK's Greensill Capital confirmed that KSA backed Vision Fund invested USD 800mn (SAR 3.0bn) in the company, adding that it would be a positive indication for the UK finance sector that has been navigating Brexit challenges. (Source: Argaam)
- Ash-Sharqiyah Development Co. (6060/ASACO AB) announced the signing for acquisition of two income-generating real estate assets, worth SAR 135mn (USD 36mn), in Riyadh. (Source: Argaam)
- Bahrain's Arabian Gulf University has selected KSA-based Al Fouzan Trading and General Construction Company (FTCO) to build the multi-million dollar King Abdullah Medical City under a 30-month contract. The hi-tech medical city will include a 288-bed medical centre and several research and excellence centres as well as a college of medicine. (Source: Trade Arabia)
- Leejam Sports Co.'s (1830/LEEJAM AB) BoD recommended a cash dividend of SAR 0.402 per share for 1Q19, implying a full-year yield of 2.3%. (Source: Argaam)

## Top 5 Losers

| Company                                | Last Close | % Change | Value (SAR mn) |
|--|------------|----------|----------------|
| Gulf Union Cooperative Insurance Co.   | 10.98      | -10.0%   | 9              |
| CHUBB Arabia Cooperative Insurance Co. | 21.96      | -10.0%   | 15             |
| Middle East Specialized Cables Co.     | 8.76       | -10.0%   | 2              |
| Salama Cooperative Insurance Co.       | 12.48      | -10.0%   | 8              |
| Al-Baha Investment & Development Co.   | 17.02      | -10.0%   | 5              |

## Most Active Stocks by Value (SAR mn)

| Company                                 | Last Close | % Change | Value (SAR mn) |
|---|------------|----------|----------------|
| Al Rajhi Bank                           | 66.00      | -4.6%    | 1,037          |
| Saudi Basic Industries Corp.            | 109.00     | -5.1%    | 755            |
| Alinma Bank                             | 24.38      | -3.8%    | 331            |
| National Commercial Bank                | 54.50      | -4.2%    | 224            |
| Dar Alarkan Real Estate Development Co. | 9.32       | -1.5%    | 212            |

Source: Tadawul

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## GCC Stock Indices

| Index           | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------|------------|---------|-------|-------|----------|
| Dubai (DFM)     | 2,526      | -4.0    | -5.5  | -0.2  | 10.6     |
| Abu Dhabi (ADX) | 4,929      | -3.3    | -2.4  | 0.3   | 13.6     |
| Kuwait (KSE)    | 5,391      | -0.2    | -1.2  | 4.0   | 16.2     |
| Qatar (QE)      | 9,740      | -1.9    | -2.9  | -5.4  | 13.7     |
| Oman (MSM)      | 3,840      | -0.7    | -0.6  | -11.2 | 8.0      |
| Bahrain (BSE)   | 1,416      | -0.8    | -1.4  | 5.9   | 9.8      |
| DJMENA Index    | 579        | -2.8    | -4.1  | 4.1   | NA       |

Source: Bloomberg, Reuters

## Global Stock Indices

| Index                 | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------------|------------|---------|-------|-------|----------|
| US (S&P 500)          | 2,812      | -2.4    | -2.4  | 12.2  | 18.4     |
| US (NASDAQ 100)       | 7,647      | -3.4    | -3.4  | 15.2  | 22.4     |
| UK (FTSE 100)         | 7,164      | -0.5    | -0.5  | 6.5   | 16.3     |
| Germany (DAX)         | 11,877     | -1.5    | -1.5  | 12.5  | 15.9     |
| France (CAC 40)       | 5,263      | -1.2    | -1.2  | 11.2  | 18.0     |
| Russia (MICEX)        | 2,509      | -0.2    | -0.2  | 5.9   | 5.3      |
| Japan (Nikkei)        | 21,191     | -0.7    | -0.7  | 5.9   | 15.8     |
| Hong Kong (HSI)       | 28,550     | 0.0     | 0.0   | 10.5  | 11.1     |
| South Korea (KOSPI)   | 2,079      | -1.4    | -1.4  | 1.9   | 11.7     |
| China (SHCOMP)        | 2,904      | -1.2    | -1.2  | 16.4  | 14.1     |
| India (NIFTY)         | 11,148     | -1.2    | -1.2  | 2.6   | 24.8     |
| Brazil (IBOV)         | 91,727     | -2.7    | -2.7  | 4.4   | 17.0     |
| Turkey (BIST 100)     | 86,283     | -2.5    | -2.5  | -5.5  | 6.5      |
| Egypt (EGX30)         | 13,906     | -1.1    | -1.1  | 6.7   | 14.3     |
| MSCI Emerging Markets | 1,016      | -1.6    | -1.6  | 5.3   | 12.8     |
| MSCI World            | 2,086      | -1.9    | -1.9  | 10.8  | 17.2     |

Source: Bloomberg, Reuters

## Commodities Prices

| Index                  | Last Close | 1 Day % | WTD % | YTD % | 1 Year % |
|------------------------|------------|---------|-------|-------|----------|
| Brent Crude (\$/bbl)   | 70.2       | -0.6    | -0.6  | 30.5  | -10.2    |
| Natural Gas (\$/mmbtu) | 2.6        | 0.1     | 0.1   | -10.9 | 1.7      |
| Gold (\$/oz)           | 1,300      | 1.1     | 1.1   | 1.4   | -1.0     |
| Silver (\$/oz)         | 14.8       | -0.1    | -0.1  | -4.7  | -10.6    |
| Platinum (\$/oz)       | 853        | -1.4    | -1.4  | 7.3   | -6.3     |
| Copper (\$/t)          | 5,987      | -2.0    | -2.0  | 0.6   | -12.7    |
| Zinc (\$/t)            | 2,708      | -1.6    | -1.6  | 7.5   | -10.8    |
| Lead (\$/mt)           | 1,785      | -2.1    | -2.1  | -11.1 | -25.0    |
| Wheat (\$/bu)          | 437        | 2.9     | 2.9   | -13.2 | -22.4    |
| Corn (\$/bu)           | 357        | 1.4     | 1.4   | -4.9  | -17.5    |
| Sugar (\$/lb)          | 11.8       | 1.0     | 1.0   | -1.6  | -9.2     |

Source: Bloomberg

## Interest Rate Watch (3M Interbank Offer Rate, %)

| Country      | Last Close | 1 Day Change | YTD Change | Spread* |
|--------------|------------|--------------|------------|---------|
| US           | 2.53       | 0.00         | -0.28      | 0.00    |
| Saudi Arabia | 2.85       | 0.00         | -0.13      | 0.32    |
| UAE          | 2.85       | 0.06         | 0.01       | 0.32    |
| Kuwait       | 2.69       | 0.00         | 0.38       | 0.16    |
| Qatar        | 2.85       | 0.00         | -0.05      | 0.33    |
| Bahrain      | 3.33       | 0.00         | -0.62      | 0.81    |

Source: Reuters

NOTES: (1) Prices updated as of May 14, 2019 (2) WTD: Week to Date; YTD: Year to Date; NA: Not Applicable, \*Spread = US 3M Rate - Country 3M Rate

## GCC & Global Markets Update

- US markets ended in the red on Monday. S&P 500 and NASDAQ declined 2.4% and 3.4%, respectively. Dow Jones Industrial closed 2.4% lower. In Europe, UK declined 0.6%, while Germany and France closed 1.5% and 1.2%, respectively.
- Asian markets are trading mixed on Tuesday. China is down 0.4%. Japan is trading 0.7% lower while South Korea is up 0.2%. Hong Kong and India are down 1.6% and 0.2%, respectively.
- GCC markets ended in the red on Monday. Dubai and Abu Dhabi declined 4.0% and 3.3%, respectively. Kuwait and Qatar closed 0.2% and 1.9% lower, respectively. Oman and Bahrain ended 0.7% and 0.8% lower, respectively.
- Members of the Dubai Free Zones Council (DFZ Council) reached a preliminary agreement on a new initiative to simplify operations for companies in multiple free zones. They have agreed on the One Free Zone Passport initiative, which allows companies licensed at a single free zone to also operate in other free zones in Dubai without the need for a second licence. (Source: Arabian Business)
- Oman plans to establish an independent authority, the Oman Credit Bureau, which will be responsible for rating individual credit history and assessing the creditworthiness of customers and their ability to pay off debts. (Source: Arabian Business)
- Oman-based Galfar Engineering & Contracting Company announced it has won a major road project contract worth OMR 86mn (USD 222mn) from Oman's Ministry of Transport and Communications. The scope of work includes the addition of two lanes for the dualization of the Rusail-Nizwa road project. (Source: Trade Arabia)
- UAE-based Utico FZC's CEO revealed the company has submitted a binding offer to invest USD 294mn in Singapore's indebted water treatment firm Hyflux Ltd. (HYF SP). Utico will provide working capital and any urgent interim funding to Hyflux as part of the offer. (Source: Zawya)
- Spain's Abengoa (ABG SM) announced it has received an order, as part of a consortium with Chinese EPC contractor Sepco III, to start work on a 909,000 cubic metres per day (m3/day) desalination plant in Taweelah in the UAE. The desalination project is valued at more than USD 700mn (AED 2.6bn). (Source: Zawya)
- The UAE's Brooge Petroleum and Gas Investment Co (BPGIC) announced plans to set up an oil refinery in Fujairah to produce bunker fuel that complies with new international laws capping sulfur content in shipping fuels. The first phase of the planned 250,000 barrel per day (bpd) refinery would be completed in 1Q20. (Source: Reuters)

## Coming Up

- US EIA Petroleum status report on weekly change in crude oil inventories for the week ended May 10 (prior: -4.0mn barrels) will be announced tomorrow. (Source: Econoday)
- China Industrial Production for the month of April 2019 (prior: 1.0% M/M, 8.5% Y/Y) will be announced tomorrow. (Source: Econoday)
- US jobless claims for the week ended May 11 (prior: 228K) will be announced on May 16. (Source: Econoday)



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